

## Message Text

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11

ACTION ARA-10

INFO OCT-01 AF-08 EUR-12 EA-07 NEA-10 ISO-00 FEA-01

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

EB-07 FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05

OMB-01 PM-04 USIA-06 SAM-01 OES-06 SP-02 SS-15 STR-04

TRSE-00 ACDA-07 PA-01 PRS-01 /139 W

----- 070729

R 202115Z AUG 76

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 4463

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY PORT OF SPAIN

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

AMCONSUL DHAHRAN

US MISSION OECD PARIS 699

LIMITED OFFICIAL USE CARACAS 10131

E.O. 11652: N/A

TAGS: ENRG, VE

SUBJECT: VENEZUELAN VIEWS ON OIL PRICES AND LEVELS.

REF: CARACAS 8010

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1. MINISTER OF MINES & HYDROCARBONS HERNANDEZ STATED RECENTLY THAT SIGNIFICANT OIL PRICE INCREASE INEVITABLE IN 1977, BUT THAT GOV DID NOT BELIEVE MEETING OF OPEC MINISTERS NECESSARY BEFORE DECEMBER. HERNANDEZ EXPRESSED PERSONAL VIEW THAT EQUAL IN IMPORTANCE TO PRICE LEVEL WAS NEED FOR EACH OPEC COUNTRY TO BALANCE OIL INCOME AGAINST ITS INDIVIDUAL CAPACITY TO ABSORB AND ADMINISTER FUNDS WISELY. EXAMPLE CITED WAS POSSIBLE SAUDI PRODUCTION CUT FROM 8.5 TO 5 MILLION BARRELS/DAY, WHICH HERNANDEZ SAID HE WOULD FAVOR WHILE CAUTIONING THAT SUCH DECISION WAS FOR SAUDIS ALONE TO MAKE. CLAIMING THAT VENEZUELA COULD EXPORT 2.6 MILLION B/D BASED ON EXISTING ORDERS, HE SAID GOV WOULD STAND BY EARLIER DECISION TO HOLD EXPORTS AT 2 MILLION B/D LEVEL. END UNCLASSIFIED.

BEGIN LIMITED OFFICIAL USE:

2. COMMENT: REFERENCE TO DECEMBER MEETING APPEARS TO REFLECT GOV ACCEPTANCE THAT INTERIM MEETING NOT POSSIBLE. AVERAGE OIL PRODUCTION RATE FOR YEAR TO DATE OF 2.24 MILLION B/D, WHICH IS IN ACCORD WITH GOV'S ORIGINAL GOAL, IS AVERAGE OF HIGHER CURRENT PRODUCTION LEVELS AND LOW LEVELS EARLY IN YEAR. IF CURRENT LEVELS MAINTAINED, YEAR-END AVERAGES FOR BOTH PRODUCTION AND EXPORTS WILL BE ABOVE THOSE ORIGINALLY PLANNED.  
VAKY

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM PRODUCTION, EXPORT PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 AUG 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** KelleyW0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976CARACA10131  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760320-1117  
**From:** CARACAS  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1976/newtext/t19760835/aaaabedd.tel  
**Line Count:** 88  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 CARACAS 8010  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** KelleyW0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 29 MAR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <29 MAR 2004 by greeneet>; APPROVED <03 AUG 2004 by KelleyW0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** VENEZUELAN VIEWS ON OIL PRICES AND LEVELS.  
**TAGS:** ENRG, VE  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006